

Voluntary Report – Voluntary - Public Distribution

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Report Name: Portuguese Livestock Works to Improve Meat Self-Sufficiency to Meet Demand

Country: Portugal

Post: Madrid

Report Category: Livestock and Products

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Report Highlights:

Portuguese cattle and swine sectors are currently restructuring to increase their domestic beef and pork production to meet domestic and export market demands. The meat sector is also working to open new strategic export markets, especially in the pork market.

General Information

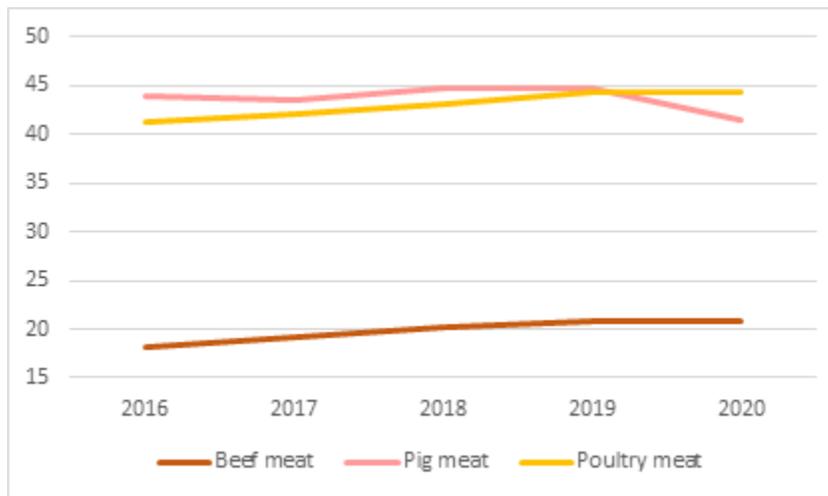
Cattle and Beef

The Portuguese live cattle sector is working to increase its beef self-sufficiency to reduce beef imports and better meet domestic demand. To deal with the oversupply of cow milk production, especially in the Azores, the sector is slightly balancing its herd by reducing the dairy cow herd and increasing the number of beef cattle. In late May 2020, the Azorean Secretary of Agriculture launched a [measure](#) allowing Azorean dairy ranchers with inefficient farms to shift to beef production as a way to restructure the dairy sector and to expand Azorean beef production.

In 2020, despite the COVID pandemic, total Portuguese cattle slaughter rose 6.5 percent to 393,305 cattle animals to produce 97,700 tons of beef, 5.4 percent more compared to 2019, in line with the intention of Portuguese beef sector. According to Portuguese official data, this trend continued in 2021, with total slaughter and beef production increasing by 5.8 percent in the first ten months of the year. Portuguese cattle production may continue growing slightly in 2022 to meet the live cattle export demand (mainly to Israel) and increased domestic beef consumption. Due to the strong rise of feed prices in 2021, carcass weight is following a downward trend.

Portugal is not self-sufficient in beef and unable to meet domestic beef demand. According to the National Institute of Statistics (INE), Portuguese beef per capita consumption was 20.8 kg/inhabitant in 2020 (see Chart 1). Consequently, 46 percent of Portugal's domestic beef consumption was sourced from its domestic beef production in 2020.

Chart 1. Portuguese Meat Consumption per Capita 2016-2020 (kg/inhabitant)



Source: National Institute of Statistics (INE)

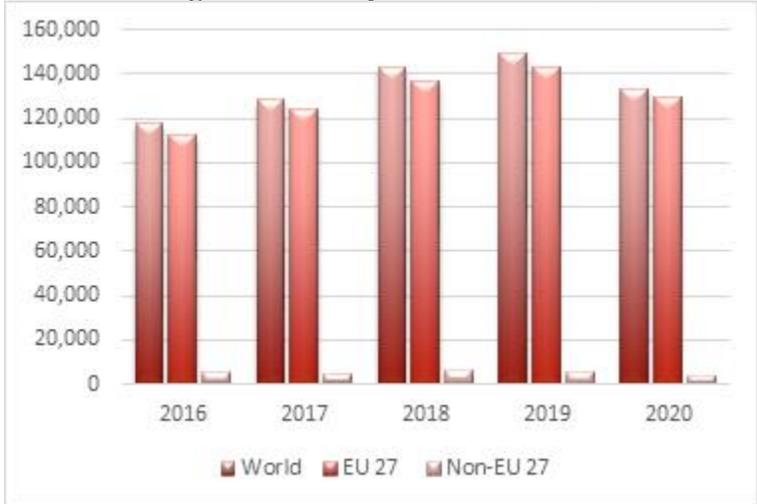
Live cattle imports, mainly sourced from Spain, strongly increased in 2020 to meet the growth in cattle production. Similarly, Portuguese live cattle exports increased 30 percent, mainly due to the 50 percent growth of cattle exports to Israel, the top Portuguese main live cattle market. However, during the first ten months of 2021, Portuguese cattle imports declined 80 percent in line with the

cattle sector’s intention to increase production. During the same time, exports continue to rise based on external demand, mainly to Israel.

Spain is Portugal’s main trading partner, serving as both the biggest supplier of beef to Portugal as well as the biggest export market for Portuguese beef. Portugal is a net importer of beef, 97 percent of which comes from the EU-27. Due to the COVID-19 pandemic and the closure of the hospitality sector, Portuguese beef imports in 2020 declined 12 percent to 133,327 MT carcass weight equivalent (CWE) and valued at \$575 million (see Chart 2). Outside the EU, major beef suppliers to Portugal in 2020 were the United Kingdom (UK), Uruguay, Brazil, Argentina, Paraguay, and New Zealand, in total worth around \$25 million. From January-October 2021, Portuguese beef imports rose three percent due to a partial economic recovery from the pandemic. However, uncertainties derived from the pandemic still present a major concern for the sector. During the period in 2021, beef imports from the UK, Portugal’s main non-EU beef supplier, strongly declined by 95 percent.

Ninety percent of Portugal’s beef exports go to the EU, with the UK and Angola as the main non-EU destinations. Since April 2020, Portugal can export beef to Hong Kong, with six establishments eligible to export beef to this market. To date, Portuguese beef exports to Hong Kong are valued at almost \$400,000.

Chart 2. Portugal’s Beef Imports 2016-2020 (in MT CWE)



Source: Trade Data Monitor, LLC (TDM)

Swine and Pork

According to Eurostat, Portugal’s total swine beginning stocks in 2020 increased by 2.2 percent compared to the previous year. At the same time, total slaughter declined 4.6 percent to 5.3 million head due to the strong Portuguese live swine exports to Spain, as Portugal’s swine sector is very dependent on the Spanish market. As a result, Portuguese pork production decreased 2.2 percent to 358,000 tons of pork. Although Portuguese households increased pork meat consumption during the COVID-19 pandemic, this was not enough to compensate for the loss in volume and value of consumption through the restaurants, hotels, and institutions (HRI) sector.

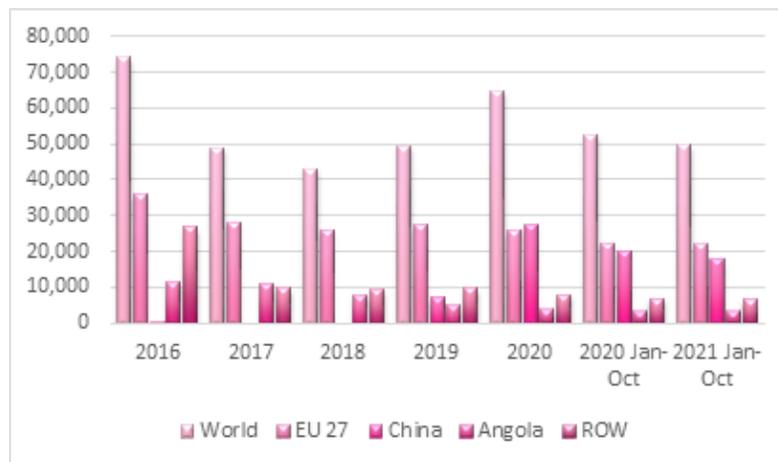
According to the Portuguese pork industry, since June 2021, Spain has reduced its live hog imports due to the decline in Chinese pork demand, increasing pressure on the pork meat market in the Iberian Peninsula. With less domestic pork consumption and more Spanish meat supply, the Portuguese slaughterhouses were unable to maintain the growth rate in 2021 as initially predicted by the Portuguese pork sector. Portuguese official data shows a stable swine slaughter and pork production from January to October 2021, compared to the same period of the previous year.

The structure of the Portuguese swine sector is such that approximately 30 percent of piglets and 70 percent of hogs are slaughtered. The production of piglets is mainly destined for the hospitality sector, events, and celebrations. In 2020 and 2021, Portuguese piglet producers were strongly impacted by the COVID-19 pandemic and the closure of the hospitality sector. For this reason, the Portuguese industry expected a decline in piglet slaughter in 2021 but compensated for it by an increase in hog slaughter. Carcass weight continued to be as high as in 2020, due to the reduction of piglet production, resulting in around 361,000 tons of pork.

Like beef, Portugal is not self-sufficient in pork, as its domestic pork production meets 86 percent of its domestic pork consumption. Thus, Portugal is still a net importer of pork, although its import trend has declined in the last years. In 2020, Portugal's pork imports stood at 123,000 MT CWE, valued at \$382 million, which were mainly sourced from the EU, and mostly from Spain.

Additionally, the Portuguese swine industry expects to continue its growth in pork exports to China. In January 2019, Portugal finally opened the Chinese market for Portuguese frozen pork and swine offal (see [GAIN SP1914](#) and [GAIN SP1936](#)). In 2020, Portugal's total pork exports continued to grow another 31 percent to 64,812 CWE and were valued at \$158 million, mainly due to the strong jump in exports to China (see [GAIN Report](#)) (see Chart 3). In 2020, Portuguese pork exports to China grew 278 percent and were valued at \$65 million, becoming the biggest export market for Portuguese pork and surpassing total pork exports to the EU. However, during the first ten months of 2021, total Portuguese pork exports declined five percent because of lower Chinese pork demand. Other Portuguese pork markets outside the EU (namely Spain) are Angola, the UK, Japan, and Switzerland.

Chart 3. Portugal's Pork Exports 2016-2020 and To Date (in MT CWE)



Source: Trade Data Monitor, LLC (TDM)

According to sources, the Portuguese pork industry may face a reorganization of the industry in 2022, with new investments to expand major Portuguese pork plants and slaughterhouses. In April 2021, the Portuguese pork sector started the interprofessional group [FILPORC](#), which represents the producers, pork industry, and trade. The sector is also jointly working with Portuguese authorities to open new markets such as South Korea, the United States, the Philippines, Malaysia, Mexico, Singapore, Thailand, Taiwan, and Vietnam. The sector is also primarily focused on preventing the entrance of African Swine Fever (ASF) into the Portuguese territory by strengthening the animal health status, biosecurity, and surveillance measures.

In November 2021, the different Portuguese pork associations presented the new voluntary certification in animal welfare, CERTIS, developed for Portuguese pork production, which includes swine growers, transport, and slaughterhouses. In May 2021, the Portuguese swine association (FPAS), together with the Portuguese government developed the [roadmap for environmental sustainability](#) for Portuguese swine farms. According to the pork sector, this will provide strategies for the sustainable development of the primary sector and the promotion of the circular economy.

Attachments:

No Attachments.